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SUBJECT: USUN AMBASSADOR RICE MEETS WITH PALESTINIAN CIVIL  
SOCIETY

Classified By: Consul General Daniel Rubinstein for reasons  
1.4 (b,d).

¶1. (C) Summary. In an October 22 meeting with USUN  
Ambassador Susan Rice, Palestinian civil society in the West  
Bank agreed that donors' investments have not yet shown  
tangible results on the ground. As one participant put it,  
"money is not buying PM Fayyad love." Several participants  
noted ongoing public anger with the PA over its handling of  
the Goldstone report, and U.S. hypocrisy in the face of major  
human rights abuses during the Gaza conflict. Other  
participants expressed frustration over the absence of a  
settlement freeze, and the demands placed on the Palestinian  
side in the peace process. Several participants also  
stressed the importance of addressing the ongoing  
humanitarian consequences of what one called "the Israeli  
siege of Gaza." End Summary.

Not Much Change on the Ground in the West Bank  
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¶2. (C) On October 22, representatives of Palestinian civil  
society discussed with Ambassador Rice the continuing  
challenges they face in the West Bank. Bank of Palestine CEO  
Hashim Shawa opined that while much is being made of the West  
Bank economy, there is "nothing on the ground to show change  
or economic development." Donor support to the PA budget,  
which largely goes to pay salaries, must be accompanied by  
private sector development, he said, in order to achieve  
sustainable economic growth. Shawa believes that the West  
Bank has "huge potential" for sustained investment. He hoped  
to build on the 2008 Bethlehem Investment Conference, which  
he said had demonstrated the viability and resiliency of the  
Palestinian private sector to foreign investors.

¶3. (C) Dr. Wael al Qadan, Palestinian Red Crescent Society  
Chief of Medical Services, said that the Israeli authorities  
have not significantly eased humanitarian access in the West  
Bank over the past two years. He noted that PRCS ambulances  
in the West Bank are unable to access the main Palestinian  
hospitals which are in East Jerusalem. Al Qadan added that  
within the West Bank, roadblocks force ambulances to detour  
by as much as 45 minutes to access Palestinian villages.  
PRCS calls to the IDF to build roadblocks that allow  
humanitarian access have gone unheeded, he reported.

Public Dissatisfaction with the PA and U.S. Policy  
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¶4. (C) Palestinian pollster Nader Said commented that a  
majority of Palestinians in the West Bank and Gaza believe  
the USG is not earning recognition for either its political  
or its economic support to the Palestinian Authority. Recent  
polls also suggest, he said, that Fatah is doing better in  
the polls than most educated Palestinians believe. Firas

Yaghi, former Director General of the Palestinian Legislative Council, disputed this assessment, saying that a majority of Palestinians do not agree with either Fatah or Hamas. Palestinians perceive that the two parties are exacerbating divisions within Palestinian society rather than working to reunite the West Bank and Gaza, he said.

¶5. (C) On Goldstone, participants noted broad Palestinian support for the report's recommendations, although Said stated that most Palestinians are not familiar with the report's details. Palestinian anger over President Abbas's handling of the Goldstone report continues, as does deep anger at the USG for voting against Goldstone in Geneva.

"Lift the Siege" on Gaza  
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¶6. (C) Three participants stressed the need to "lift the siege" on Gaza. Hashim Shawa presented a short memorandum to Ambassador Rice outlining the need for "a new policy towards Gaza" and proceeded to describe its contents. Gazans, he said, are highly dependent on UN assistance, noting that UNRWA is the most significant actor in Gaza countering Hamas's influence. Gazans feel that they have been forgotten by the international community, including the USG, he claimed. Shawa proposed that the USG should immediately seek to expand humanitarian assistance through normalizing medical transfers out of Gaza for critically ill patients; normalize food shipments into Gaza to improve nutritional content; and ensure that UNRWA can implement all of its social development activities for children. He also emphasized the need to rebuild schools, shelters, and private

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sector infrastructure. Shawa specifically mentioned the need to normalize and stabilize Gaza's banking system, including sufficient cash supply to the banks, and initiating an across-the-board, sustainable agricultural program.

¶7. (U) Ambassador Rice cleared this cable.

RUBINSTEIN